

## CEREBRA INTEGRATED TECHNOLOGIES

*Marching Towards Green Growth*

Investor Presentation May 2017



## Safe Harbor

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# Agenda

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1 

**Company Overview**

2 

**E-Waste Space: New Growth Area**

3 

**Hardware Manufacturing**

4 

**Financial Highlights**



# Company Overview



# Cerebra Integrated Technologies ...



## Leading hardware manufacturing company ...

- ❖ Design & manufacture motherboards, memory modules, servers, workstations etc.
- ❖ Commenced operations in 1992 in Bangalore
- ❖ Manufacturing facility in Peenya, Bangalore
- ❖ Reputed diversified clientele across industry
- ❖ Nationwide presence with over 100 channel partners for distribution



## ... Forehead into E-Waste Recycling

- ❖ Set-up one of India's largest integrated E-Waste recycling facility at Narsapura
- ❖ Capacity of 96,000 Tons per annum
- ❖ Obtained necessary consent from Karnataka State Pollution Control Board
- ❖ Commenced Commercial Production



# Veteran management team ...



## Mr. V. Ranganathan, MD

- ❖ An Electrical & Electronics Engineer, has ~29 years of experience in manufacturing & trading of computers and electronic products
- ❖ Founded Elco Systems in 1987, which manufactured Personal Computers and traded in Electronic components
- ❖ Leading the marketing initiatives at Cerebra, he is a driving force behind the team at Cerebra



## Mr. Shridhar S Hegde, ED & CFO

- ❖ A Law graduate, started his career in 1982 with a leading pharmaceutical company
- ❖ He is responsible for obtaining major orders from Government, PSU and Corporate



## Mr. P. Bharath, COO

- ❖ A Civil Engineer, started his own business by trading in Air conditioners
- ❖ Responsible for setting up the factory at Peenya and is currently leading production activities at SMT Division



## Mr. P. Vishwamurthy, ED

- ❖ A Mechanical Engineer, started his career in Vishwa Bharathi Electronics, in 1991
- ❖ His role include resource management, client relationships and engagements



## Mr. Asit Ahuja, CEO, Cerebra ME

- ❖ One of the Founder Directors of Cerebra Middle East FZCO, he is responsible for day to day operations
- ❖ He has 24 years experience in IT Sales & Marketing, of which 6 years have been in the Middle East



## ... transforming business towards growth

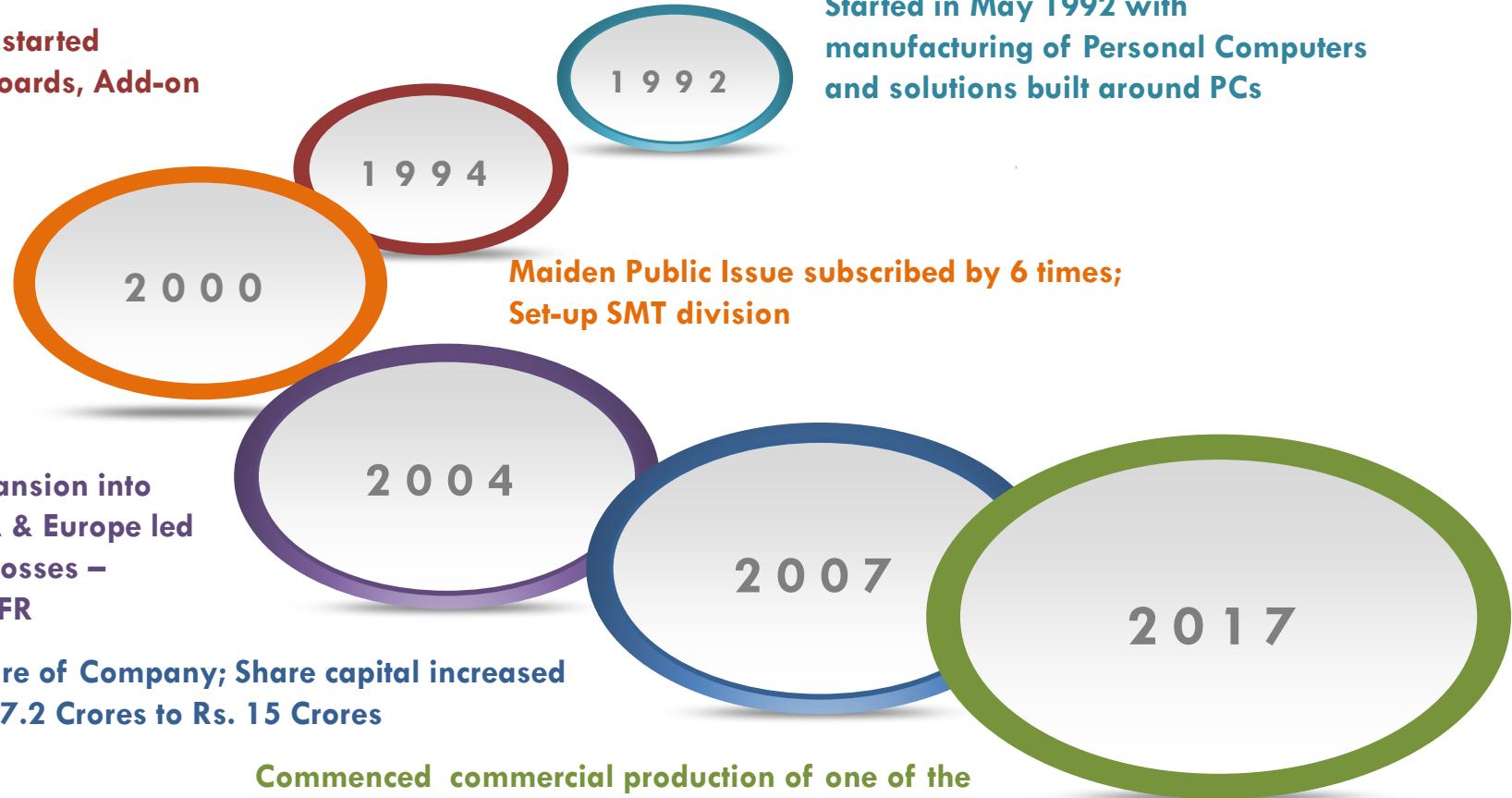
**Backward Integration – started manufacturing Motherboards, Add-on Cards, etc.**

**Started in May 1992 with manufacturing of Personal Computers and solutions built around PCs**

**Global downturn & expansion into Software rapidly in USA & Europe led the Company to heavy losses – Company reported to BIFR**

**Restructure of Company; Share capital increased from Rs. 7.2 Crores to Rs. 15 Crores**

**Commenced commercial production of one of the India's largest integrated E-Waste recycling facility in Narsapura, Bangalore**



# Catering to prestigious clients across industry

## Banks



## PSUs



Electronics Corporation of India Limited  
A Govt. of India (Dept. of Atomic Energy) Enterprise



## Govt. Agencies



Government of India  
Department of Atomic Energy  
Indira Gandhi Centre for Atomic Research



Crompton Greaves  
EVERYDAY SOLUTIONS

## Other Major Clients





## E-Waste Space: New Growth Area

# One of India's largest E-Waste Recycling Facilities

## Cerebra's E-waste facility:

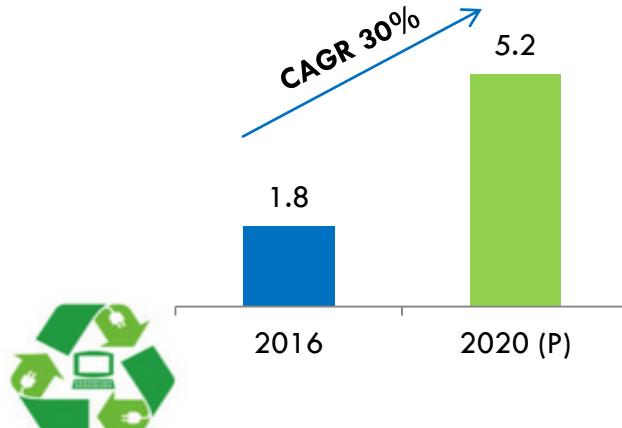
- E-Waste Recycling Facility spans over an area of **12 acres**; with built up area of more than **40,000 sft**
- Current capacity of the facility is **36,000 tons p.a.**; with potential to reach **96,000 tons p.a.** in future



Huge Potential Ahead

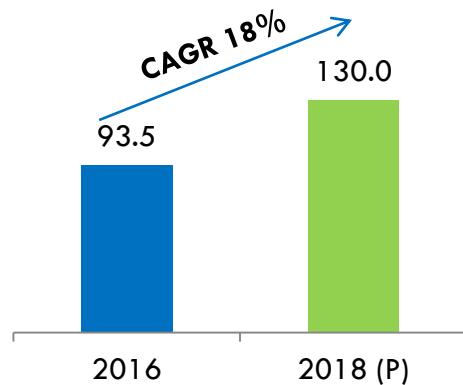
India is emerging as one of the world's major electronic waste generators

**Generation of E - Waste in India**  
(Million Metric Tonnes) p.a

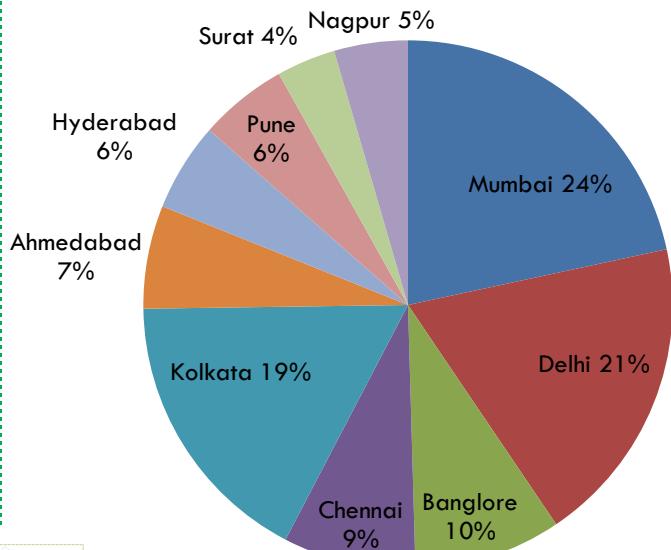


Source: ASSOCHAM-cKinetics study (June 2016)

**Global Generation of E - Waste**  
(Million Metric Tonnes) p.a



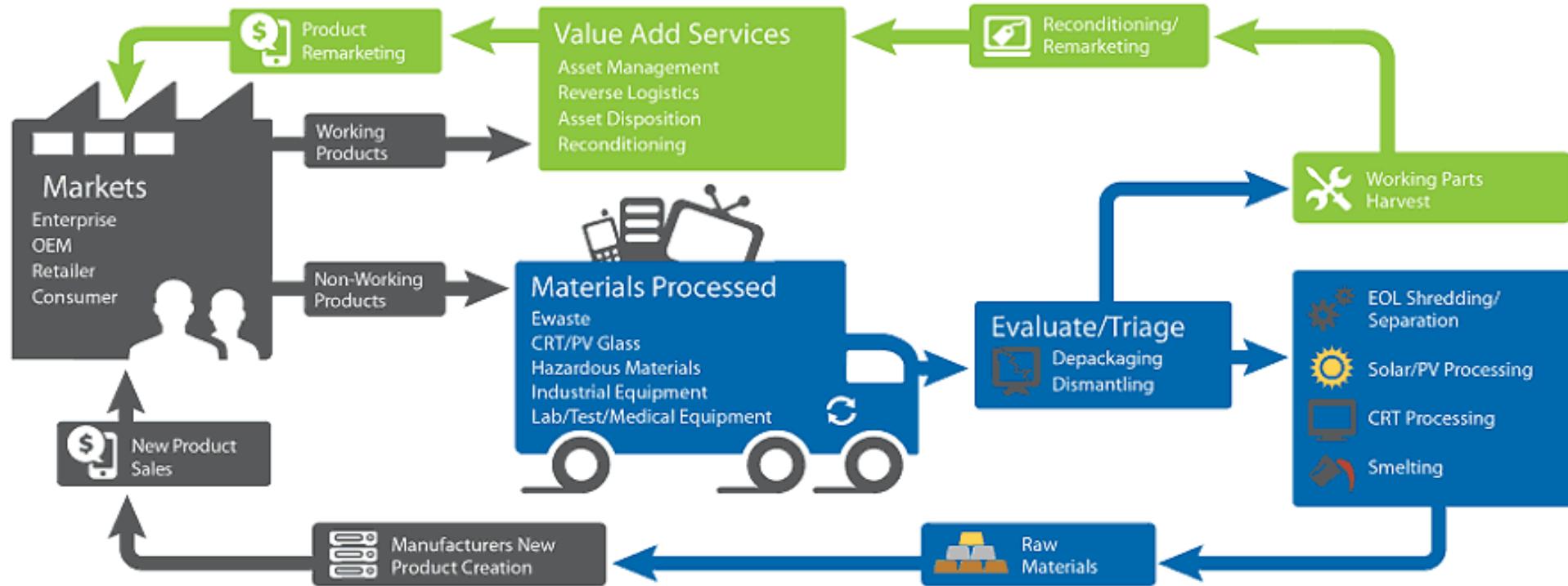
## City wise E-waste generation



Source: Dept. of Information Technology



# E - Waste Value Chain

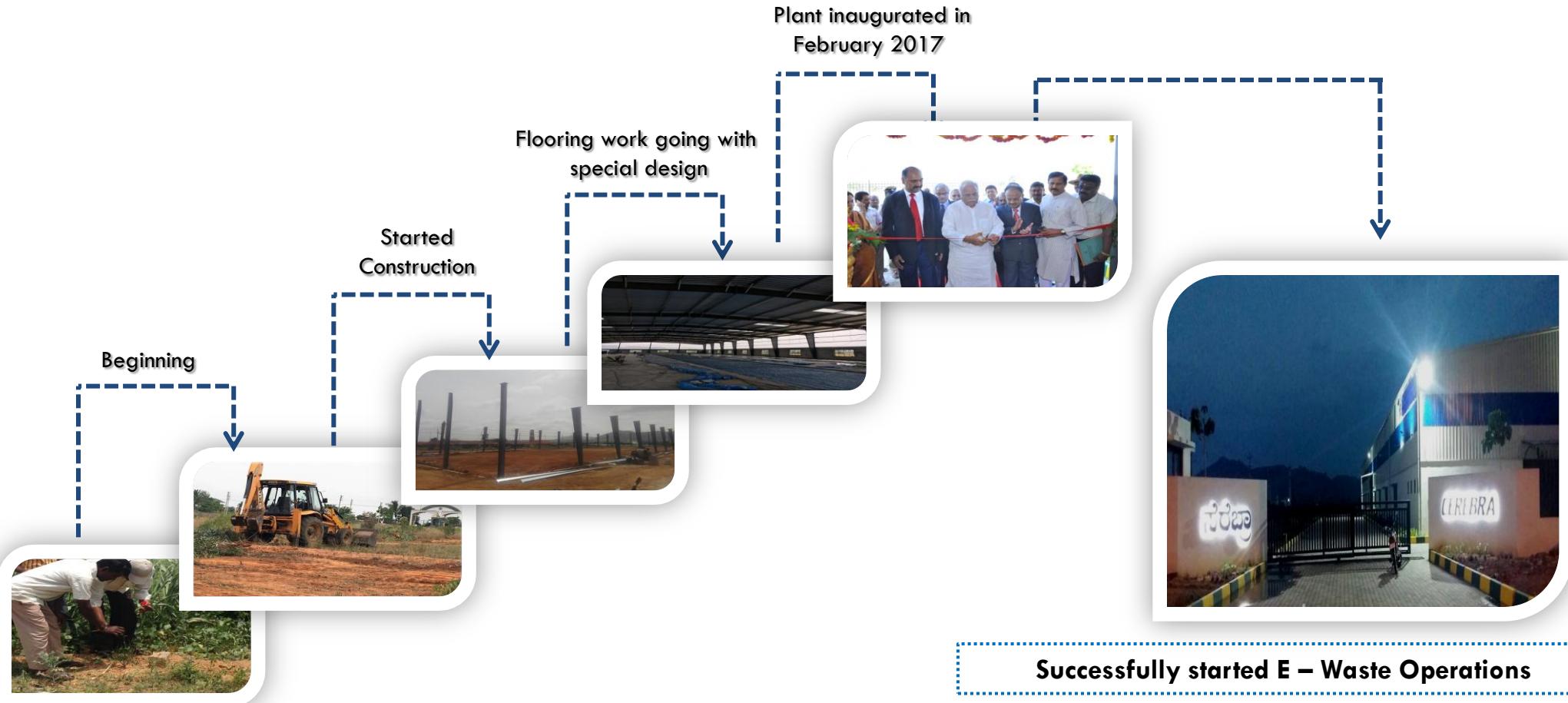


## Key offerings by Cerebra:

- Collection, Segregation (Re-usable & Non-Reusable) Repair, Recondition, Refurbish for Reuse, Re-marketing, Data Wiping, Data Destruction & Data Recovery Process
- Recovery Services offers Recycling & Separation of Metals, Plastics & Glass Recovery

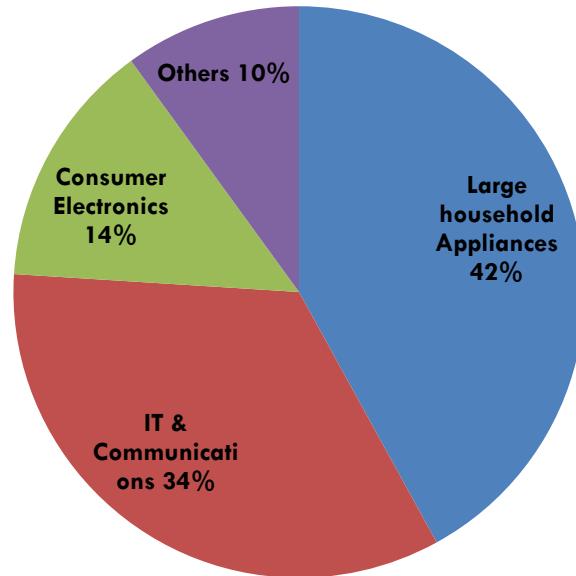


# E-Waste Recycling Plant – Progress in Images



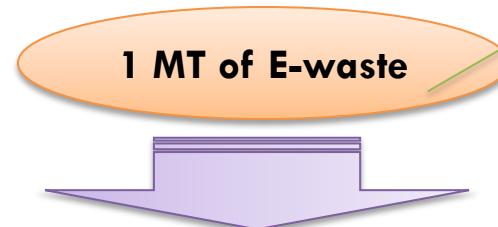
# .... Large opportunity for “Urban Mining”

## E-Waste Contributors



Source: Pollution Control Board

## Urban Mining



Rs. 15 – Rs.20  
per Kg.

Material	Weight (in gm)
Gold	16
Silver	189
Copper	69,287
Aluminum	141,723
Tin	10,078
Lead	62,988
Zinc	22,046
Iron	204,712
Plastics	229,907

Sufficient metals & non-metals can be recovered from E-Waste to put back into supply chain

*Management estimates assuming material recovery from 1 MT Computer e-Waste*



# ... Large opportunity for CEREBRA



- ❖ Fully operational and successfully commenced trail runs
- ❖ Obtained necessary consent from Karnataka State Pollution Control Board



- ❖ Plant capacity to process 96,000 tonnes of e-Waste per annum
- ❖ Equipped for 100% recycling of collected e-Waste with zero landfill



- ❖ Signing channel partners & large corporate to expand network of e-Waste collection
- ❖ Plant to facilitate Refining & Recycling & Refurbishment of e-waste
- ❖ Recovery of Precious metal such as Gold, Silver, Lead, etc



## Cerebra E-Waste Business Process

Collection & Segregation



# Advantage Cerebra

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01

**Pioneer in hardware manufacturing with strong skill sets in repair & refurbish**

02

**Location Benefit: (i) Around 1,500 Software & BPO companies in Bangalore  
(ii) Chennai manufacturing hub for Electronics & Automobiles**

03

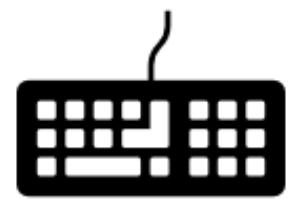
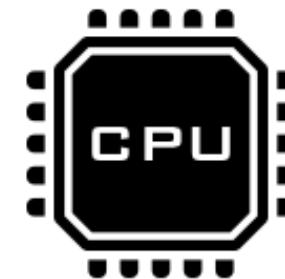
**Strong vendor alliances and partnerships with IBM, Dell, HP, Oracle etc**

04

**Extensive dealer network already in place due to existing line of business**



## Hardware Manufacturing



# One of the Pioneers in Hardware Space in India

## Electronic Manufacturing Service (EMS)

- ❖ State-of-art SMT machines at Ultra modern facility in Bangalore
- ❖ Manufactures motherboards, memory modules, graphic cards
- ❖ Manufacturing plant at Peenya Ind. Area, Bangalore
- ❖ Installed capacity – 30,000 units / month

## Enterprise Solutions Division (ESD) & Infrastructure Management

- ❖ Offers complete solutions for IT infrastructure based projects
- ❖ Provides networking, servers, storage, endpoints, operating systems, application software
- ❖ Automating process of conducting driving tests for Transport Department, Karnataka
- ❖ To Manufacture Cerebra branded storage server & other Storage products



# Huge opportunity in Indian IT Infrastructure market

## Indian IT Infrastructure: Key Facts

1

**Indian data center infrastructure market estimated at \$2,123 mn in 2018**

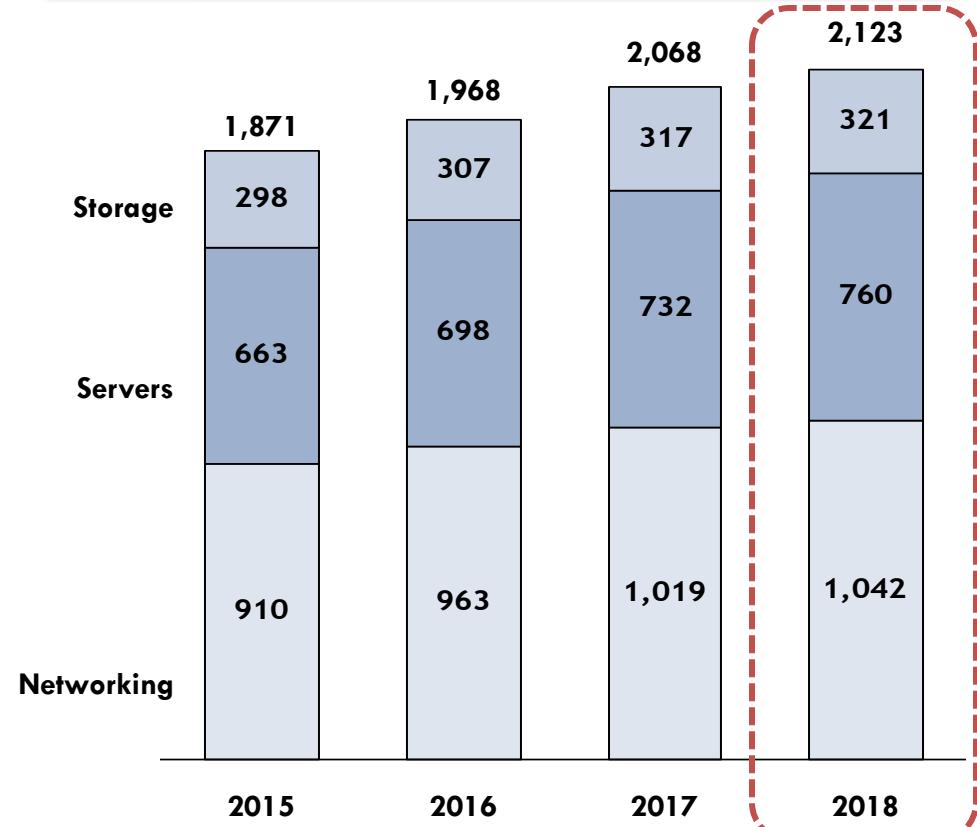
2

**Key drivers: storage modernization & consolidation, backup & recovery, disaster recovery**

3

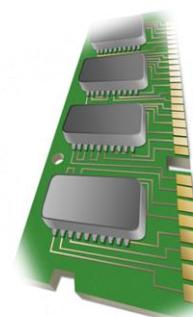
**Escalation of both public as well private cloud adding huge data and driving storage needs**

## Revenue By Technology (\$ mn)



# 1. Electronic manufacturing service (EMS)

- ❖ Offers Box building & testing capabilities to customers
  - » Strategic tie-ups to offer full fledged In-Circuit testing
- ❖ Line consists of 7 zone Reflow oven from Vitronics Soltec, USA
  - » Line Speed of machines - ~20,500 components / hour
  - » Fully RoHS compliant SMT Line
  - » Adding two more lines to augment capacity
- ❖ R&D team for new product development & Indigenization
- ❖ Provide services to national & multinational companies
  - » Sectors like automotive, electronics, data communications and engineering



## 2. Infrastructure management & ESD

### Automated Driving Test System Project for RTO, Bangalore

- ❖ Unique order win for Automated Driving Test System (ADTS) from Transport department, Government of Karnataka
  - » To automate process of conducting driving tests & issuance of licenses at select RTO center
  - » 5 year contract to implement, Operate and maintain
  - » Project value estimated at Rs 21.6 Crore - includes software, servers & other related hardware
- ❖ Multiple advantages of ADTS
  - » Removes subjective opinion, Same yardstick to assess every candidate
  - » Separate dedicated tracks for Heavy Vehicle, Light Motor Vehicle & Motorcycle
- ❖ Cerebra in discussion with other state Governments to implement ADTS



### 3. Security Surveillance – large market in GCC

#### Distributor for Canon in UAE for Security Surveillance

- ❖ Canon (Japan) appointed Cerebra Middle East FZCO (Subsidiary of Cerebra) as a value added distributor for UAE region
- ❖ Cerebra ME will supply regional channel with Canon camera offerings for personalized control of security surveillance
- ❖ UAE's security and surveillance market to witness rapid growth due to EXPO 2020 in Dubai

#### Other Partnerships as Value Added Distributor

**inventum**  
inventive continuum

**FUJITSU**

**neverfail**  
business continuity made simple

**SOLUS**™

**fibrenetix**

**NetApp**

**MINDware**



**milestone**

**EchoStreams**  
Innovative Solutions

**ORACLE**

**FalconStor**



# Exploring entry into storage servers market

- ❖ Offers complete range of storage solution
  - » Tie up with **Hitachi** for medium to large storage solutions
  - » Tie up with **Dell** enables to offer Server and entry level storage solutions
- ❖ Manufacture Cerebra branded storage server & other storage products for India & MENA regions
  - » Signed MOU with Echostreams Innovative Solutions, CA, USA
  - » Echostream to provide engineering & design expertise
- ❖ Government initiatives to fuel growth
  - » Make in India policy to favor products manufactured locally



Leverage its extensive dealer & sales network and target customers all over India & MENA region

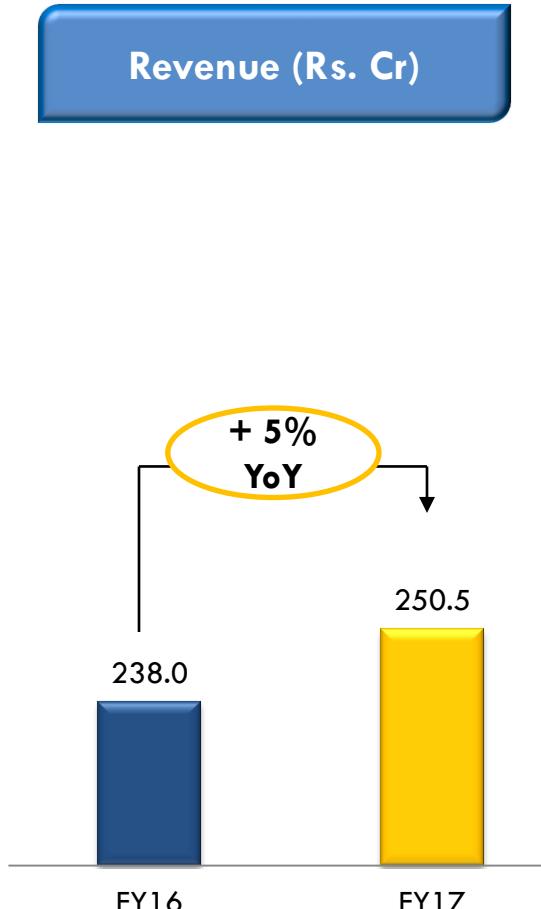


## Financial Highlights

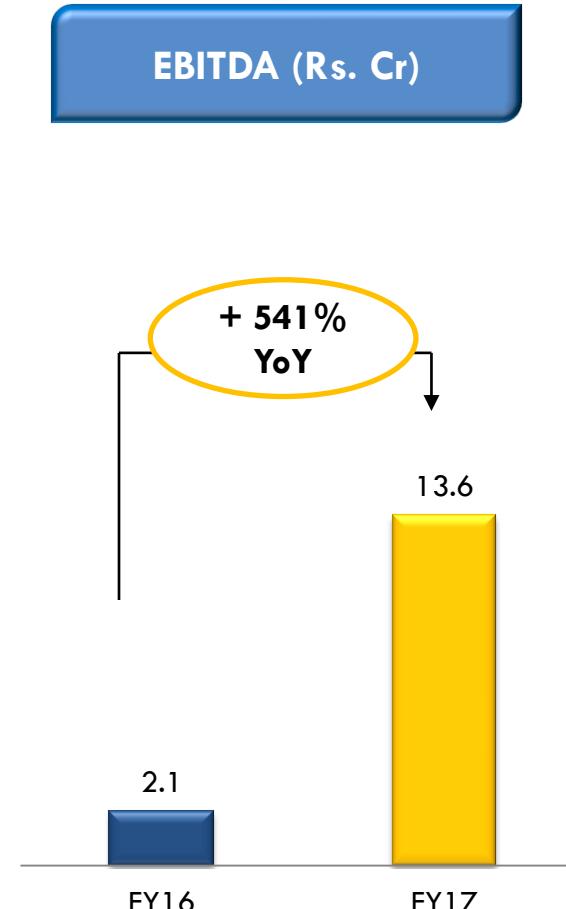


# Financial Highlights – FY17 (Consolidated)

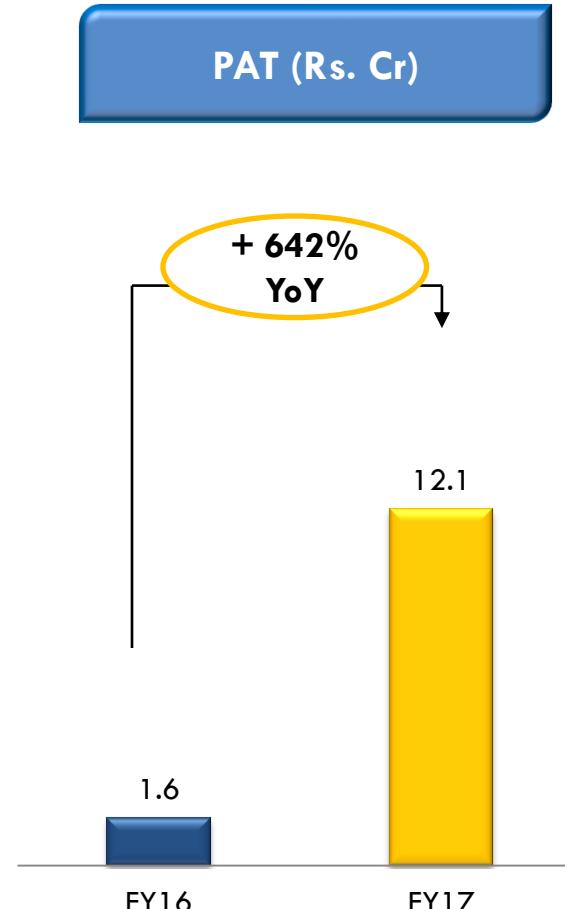
Revenue (Rs. Cr)



EBITDA (Rs. Cr)



PAT (Rs. Cr)



# Profitability Highlights – Q4 & FY17 (Consolidated)

Rs. Crore	Q4 FY17 #	Q4 FY16	FY17	FY16
<b>Revenue from Operations</b>	<b>67.9</b>	<b>60.0</b>	<b>250.5</b>	<b>238.0</b>
Raw Material & Fuel costs	60.1	54.9	218.3	217.6
Employee Cost	1.8	1.5	6.2	6.1
Other costs	3.4	6.1	12.3	12.2
<b>EBIDTA</b>	<b>2.5</b>	<b>-2.5</b>	<b>13.6</b>	<b>2.1</b>
<b>EBITDA Margin (%)</b>	<b>3.7%</b>	<b>-4.2%</b>	<b>5.4%</b>	<b>0.9%</b>
Other Income	-4.9*	0.3	0.1	3.9
Depreciation	0.0	0.0	0.2	0.5
Interest	0.3	0.2	1.5	2.5
Exceptional items	0.0	0.0	0.9	-1.0
Tax	-1.6	-1.1	0.9	0.3
<b>Profit After Tax</b>	<b>-1.1</b>	<b>-1.4</b>	<b>12.1</b>	<b>1.6</b>
Minority Interest	0.2	-0.2	0.9	0.0
<b>PAT after MI</b>	<b>-1.3</b>	<b>-1.2</b>	<b>11.2</b>	<b>1.7</b>

\* Negative other income is due to exchange fluctuation losses on account of strengthening of INR

# Figures for the quarter are arrived at, by deducting the results for the 9MFY17 from the audited results of FY17



# Balance Sheet (Consolidated)

Rs. Crore	Mar - 17	Mar - 16
<b>Shareholder's Funds</b>	<b>175.7</b>	<b>148.9</b>
Share capital	108.5	96.4
Reserves & Surplus	65.5	51.7
Minority Interest	1.6	0.8
<b>Non-current liabilities</b>	<b>1.6</b>	<b>15.6</b>
Long term borrowings	1.3	15.3
Long-Term Provisions	0.4	0.3
<b>Current liabilities</b>	<b>154.8</b>	<b>16.7</b>
Short Term Borrowings	0.0	0.3
Trade Payables	148.0	9.4
Other Current liabilities	5.9	6.7
Short-term provisions	0.9	0.3
<b>Total Equities &amp; Liabilities</b>	<b>332.1</b>	<b>181.2</b>

Rs. Crore	Mar - 17	Mar - 16
<b>Non-current assets</b>	<b>42.3</b>	<b>44.9</b>
Fixed assets	8.9	6.0
Non-current Investments	0.0	0.8
Long-term loans & advances	33.3	38.1
Other non-current assets	0.0	0.0
<b>Current Assets</b>	<b>289.8</b>	<b>136.3</b>
Current Investments		
Inventories	2.2	2.4
Trade receivables	216.1	62.4
Cash & Cash equivalents	70.0	69.7
Short-term loans & Advances	1.4	1.8
Other Current Assets	0.1	0.1
<b>Total Assets</b>	<b>332.1</b>	<b>181.2</b>





## LET'S CONNECT



Mr. P. Vishwamurthy  
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